delay would not affect deployments until 1994. By then, the United States would have deployed 24 fewer Trident II missiles than currently planned (192 rather than 216), and by 1997 this shortfall would grow to 48 missiles (360 rather than 408). A reduced number of Trident II missiles might be offset in part by extending the life of older Poseidon submarines.

DEF-06 RESTRUCTURE THE ARMY'S FORWARD AREA AIR DEFENSE PROGRAM

Savings from Admin. Request	Annual Savings (millions of dollars) 1988	1989	1990	1991	1992	Cumulative Five-Year Savings
Budget Authority	300	490	510	310	220	1,830
Outlays	100	240	290	300	300	1,230

Following the cancellation of the Sergeant York Division Air Defense Gun (DIVAD) in August 1985, the Army initiated a program to improve its ability to defend troops positioned well forward in the battle area against enemy aircraft, particularly helicopters. This Forward Area Air Defense (FAAD) program contains five elements designed to: (1) improve communications among air defense weapons and sensors; (2) purchase a new weapon to perform the mission of the canceled DIVAD; (3) develop and procure a system to provide air defense for the rear of the battle area; (4) develop and procure a system to attack enemy helicopters hiding behind hills, trees, or buildings (a non-line-of-sight system); and (5) improve the air defense capability of the Army's existing helicopters, tanks, and fighting vehicles. The Army estimates that the total cost of this five-part program could be as much as $11 billion, about $5 billion of which would be required during fiscal years 1988 through 1992.

This alternative considers a restructured FAAD program, with the emphasis shifted from sophisticated and expensive "dedicated" (that is, devoted to a single purpose) air defense weapons to programs designed to upgrade Army tanks, fighting vehicles, and helicopters with a capacity to provide protection from enemy aircraft. Since the principal threat to the Army's forward area comes from helicopters, the program would emphasize providing all Army weapons with some ability to destroy enemy helicopters. For example, each fighting vehicle would be equipped with missiles that could be used against either tanks or helicopters, Army helicopters would be equipped with missiles capable of destroying enemy helicopters, and Army tanks would be provided ammunition with enhanced capability against hovering helicopters. Because each Army vehicle would be capable of defending troops against enemy helicopters, dedicated air defense weapons should be needed primarily to counter fixed-wing aircraft. The Stinger missile sys-

tem, currently in use by the Army, is designed to oppose fighter-bomber aircraft. A vehicle mounted version of Stinger, which is being developed as part of the FAAD program, could replace the older Chaparral system currently in the field and would provide needed capability. Savings under this alternative would be $300 million in budget authority in 1988 and $1.8 billion over the next five years. Savings reflect termination of the follow-on to the DIVAD program and cancellation of any further purchases of TOW missiles and Chapparal missiles and fire units, offset by the costs of equipping tanks, fighting vehicles, and helicopters as described above.

This alternative does not offer a substitute for a non-line-of-sight (NLOS) weapon capable of destroying enemy helicopters hiding behind obstacles such as buildings or ridges. But Soviet forces currently could not conceal their helicopters in this way and still fire at U.S. forces. Thus, although research could continue on a NLOS missile system to meet a potential threat, procurement plans now might be premature.

This alternative might also offer increased capability relative to the Army's plan in at least one area. The ability to destroy helicopters is, in part, a function of the total number of weapons that are capable of striking helicopters at a specific range. By this measure, this option could provide twice as much capability as the Army's plan.

On the other hand, this alternative does require that infantry and tank commanders assume greater responsibility for air defense, a situation that could adversely affect their ability to perform their mission of destroying tanks.

DEF-07 DEFER NEW PROGRAM STARTS UNTIL 1990

Savings from Admin. Request	Annual Savings (millions of dollars) 1988	1989	1990	1991	1992	Cumulative Five-Year Savings
Budget Authority	8,350	12,220	5,980	7,750	4,320	38,620
Outlays	3,220	6,400	4,060	4,730	6,740	25,150

Although the Congress only appropriated 88.7 percent of the procurement funds requested by the Department of Defense for 1987, money was provided for initial production of several major new weapons. These include advance procurement funds for the C-17 strategic transport aircraft for the Air Force, the SSN-21 attack submarine for the Navy, and initial production funds for the 105MM light howitzer for the Army. The Congress funded these new programs in part through savings from reduced procurement rates for other weapons. The Air Force's request for 48 F-15 aircraft per year was reduced to 42, the Army's request for 870 Bradley Fighting Vehicles was lowered to 662, and the Navy's request for 120 F/A-18 aircraft was decreased to 84. In short, the Congress did not appropriate enough both to procure all of the weapons at the rates requested by DoD and to fund the new programs.

The DoD proposed budget for 1988 and 1989 contains funds for many new weapons. These include research and development funds of about $920.0 million in 1988 and $1.8 billion in 1989 for 13 new major weapons programs, including the Navy's Advanced Air-to-Air Missile system, the Air Force's mobile rail basing for the MX missile (see DEF-08), and a portion of the joint Air Force and Navy Air Defense Initiative. The DoD proposed budget also includes initial production funds of about $2.6 billion in 1988 and about $6.1 billion in 1989 for 16 major weapons programs, including the Army's Air Defense System (Heavy) (see DEF-06) and the Navy's T-45 jet trainer. In addition, there are other new research and development programs, including the Army's Airborne Adverse Weather Weapon System and the F-111 Self-Protection System for the Air Force which, although not designated as "major" programs, receive requests for comparable funding for 1988-1989. The DoD budget request also includes a number of major new "black" (classified) research and development programs.

The Congress could choose to defer development and procurement of many or all of these new programs until 1990 to preserve the development

and production rates of other weapons. Such an approach might avoid inefficiencies caused by reductions in planned development or rates of production of existing weapons and allow the DoD to complete development and procurement of some weapons more quickly. Savings as a result of deferring all new major program starts in research and development and procurement (including those discussed in DEF-02, DEF-06, and DEF-09) might be as much as $8.4 billion in budget authority in 1988 and $38.6 billion over the next five years. These savings assume that research costs for weapons that continue to be scheduled for procurement in 1988 are sustained at their 1987 level to ensure continuity of the programs.

Some loss in capability might be expected under this alternative, especially in areas such as communications or intelligence gathering for which DoD plans to begin procurement of many new systems soon. The loss of capability in some areas, however, might be offset somewhat by avoiding reduced acquisitions of weapons currently in production. In the long run, maintenance of efficient production rates should provide greater defense capability for the same expenditure.

DEF-08 REDUCE PURCHASES OF MX MISSILES

Savings from Admin. Request	Annual Savings (millions of dollars) 1988	1989	1990	1991	1992	Cumulative Five-Year Savings
Budget Authority	940	1,580	970	1,260	1,150	5,900
Outlays	390	1,010	860	800	950	4,010

Over the next six years, the Administration plans to buy another 157 MX missiles which carry 10 warheads. Of these, 107 would be earmarked for a test program to establish and monitor the reliability of the missile. The other 50 missiles would be deployed in a mobile basing mode. They would be kept in railroad cars on military installations in peacetime and would be dispersed on existing rail lines during times of crisis. These 50 rail-based missiles would be additional to the 50 MX missiles currently approved for deployment in existing Minuteman missile silos. The total deployment of 100 MX missiles would be consistent with the recommendations of the 1983 Scowcroft Commission.

This option assumes that the Congress would allow the procurement of only 31 additional MX missiles, rather than the Administration's planned 157 missiles, for a total program of 50 deployed missiles and 47 test missiles. Under this option, production would be limited to no more than 12 missiles annually over the next three years. Savings would total $940 million in budget authority in 1988 and $5.9 billion over the five-year period. Alternatively, all 31 additional test missiles could be procured next year at an ultimate savings over the five years of $6.8 billion. Greater savings would be achieved because of more efficient production rates. Because this option would not permit deployment of the additional 50 rail-based missiles, it would eliminate the need to construct the mobile basing system and save about $1.8 billion for further research on this basing mode, including $0.9 billion in 1988.

With sufficient warning, rail-mobile basing would allow many of the 50 MX missiles to survive a Soviet attack and so would provide substantial additional capability to retaliate. The Administration argues that this additional capability is needed to deter nuclear war. On the other hand, rail-mobile missiles would require a number of hours of warning in order to disperse widely and so survive a Soviet attack; such warning might not be available in a crisis. Rail-mobile missiles could also be vulnerable to sabo-

tage of rail lines. Not procuring the additional 50 missiles for mobile basing would also be consistent with an earlier Congressional decision to limit deployment of MX to 50 missiles in existing silos.

Furthermore, this option would limit the number of MX test missiles to 47. The current MX test program is generally consistent with the statistical guidelines furnished by the Joint Chiefs of Staff and is modest compared with test programs for past generations of U.S. ballistic missiles. Moreover, a large reduction in numbers of MX test missiles could greatly reduce confidence in the ability of deployed MX missiles to function in a crisis. On the other hand, 47 missiles would allow minimal testing--36 missiles for the entire Operational Test program and 11 more to test the effects of aging on the missiles. This smaller test program would reduce costs and might be consistent with the small strategic contribution of the currently approved MX program. The 50 MX missiles now being deployed in existing silos would provide less than 1 percent of U.S. warheads that are likely to survive a Soviet attack.

DEF-10 RESTRUCTURE THE ARMY HELICOPTER PROGRAMS

Savings from Admin. Request	Annual Savings (millions of dollars) 1988	1989	1990	1991	1992	Cumulative Five-Year Savings
Budget Authority	800	310	320	260	-300	1,390
Outlays a/	270	580	550	500	120	2,020

a. Five-year outlays are higher than budget authority because of the mix of appropriations in this option. The research and development appropriation spends at a much faster rate than procurement. Therefore, research and development outlay savings from cancellation of the LHX program are only partially offset by early spending on procurement to acquire AH-64 and UH-60 helicopters. The balance of procurement outlays would occur beyond the five-year period.

The Army initiated an ambitious new helicopter program in 1982, known as LHX (Light Helicopter Experimental). Beginning in 1992, the Army plans to produce two versions of the LHX, an attack version and an utility or cargo design. According to tentative plans, the Army intends to purchase about 5,000 of these helicopters, primarily as attack aircraft. Total cost for the program, including development and procurement, was recently estimated by GAO at $60 billion, with $400 million programmed for 1988 and a total of $3.3 billion through 1992.

The Army feels that it must develop a new helicopter to replace its aging fleet of existing light attack (AH-1), scout (OH-58), and utility helicopters (UH-1). These models were developed in the early 1960s and are becoming increasingly difficult to maintain. Indeed, by 1990, about 70 percent of the Army's light helicopter fleet will be 20 years old. Furthermore, according to Army planners, these 1960s vintage aircraft will not be able to meet the threat posed by Soviet aircraft in the 1990s. Specifically, the AH-1 helicopter's limited maneuverability makes it vulnerable to Soviet defense systems.

Serious questions, however, have been raised concerning the desirability and feasibility of the LHX program as it is currently structured. The Pentagon's Defense Science Board recently questioned the need for the performance requirements established for the LHX. The Board argued, among other things, that the Army might have overstated its requirements. The Board also questioned the Army's cost estimates for the program and the preliminary production schedule; both were considered optimistic.

This alternative would cancel the LHX program as now conceived and extend the Army's current attack and utility helicopter programs. Savings would be about $800 million in budget authority in 1988 and $1.4 billion over the next five years. Procurement of the Army's current attack helicopter, the AH-64 Apache, which is scheduled to end in 1988 after 593 aircraft have been bought, would continue under this option. The Army has stated that 593 aircraft are less than 25 percent of the requirement for this type of helicopter. This option would continue AH-64 production at a low rate (36 per year) through 1992, resulting in a total procurement of 706 AH-64s, or about 30 percent of the total Army requirement by 1992.

The Army's newest utility helicopter, the UH-60 Blackhawk, is also scheduled to complete procurement before 1992. This option would continue to produce UH-60s through 1992, but at a rate of 48 per year, which is lower than the Administration's plan. As a result, a total of 1,099 UH-60s would be purchased by 1992, compared with the Army's current procurement plan to acquire 1,107 by 1991.

This alternative has the advantage of relying on the proven capability of the Apache and Blackhawk. Improvements to these aircraft to counter evolving Soviet threats could be added, although the costs of such improvements are not reflected in the savings noted above. This option would also ensure a continuing production capacity for attack helicopters. The Army plan would close the only Army attack helicopter production line after producing the Apaches purchased in 1988, with LHX production not planned to begin before 1992. In the 1987 National Defense Authorization Act, the Congress expressed concern about this gap, which would delay U.S. mobilization in the event of war.

DEF-11 DELAY THE ARMY'S DEEP-ATTACK WEAPONS

Savings from Admin. Request	Annual Savings (millions of dollars) 1988	1989	1990	1991	1992	Cumulative Five-Year Savings
Budget Authority	230	320	360	160	-40	1,030
Outlays	90	160	210	180	160	800

The Army and Air Force together are developing a Joint Surveillance and Target Attack Radar System (JSTARS) to provide an airborne platform for early warning and detection of ground targets at long range. Targets might include groups of vehicles, communication nodes, and command centers deep in enemy territory. The Air Force is developing the radar and the plane on which it will be mounted, while the Army is responsible for the ground terminals the system will use to receive data from the airborne radar. The Army's ground terminals would also transmit target information to Army weapons that would attack targets found by JSTARS.

The Air Force does not plan to purchase its first JSTARS radar until 1991. The Army, however, began buying JSTARS ground terminals in 1987, which seems premature since no tactical system currently exists that could use the ground terminals. Furthermore, the Army as yet has no weapons that are capable of attacking targets deep within enemy territory. It is, however, developing a system, called the Army Tactical Missile System (ATACMS), designed to attack targets up to 150 kilometers behind enemy lines. But, since the missile cannot find targets without some general idea of target location, purchasing it before the advent of a working JSTARS also seems untimely. This alternative would synchronize the purchase of the Army's JSTARS ground terminals and the ATACMS missile with Air Force procurement of the JSTARS radars. Purchase of the JSTARS ground terminals would be delayed from 1988 to 1991 and ATACMS from 1989 to 1991.

In addition, the Army is developing a sophisticated antitank warhead for its shorter-range Multiple Launch Rocket System (MLRS). The MLRS was designed as a fire suppression weapon to be used primarily against enemy artillery sites up to 30 kilometers away. It was not designed to destroy tanks. In an attempt to counter the Warsaw Pact's superiority in numbers of tanks, however, the Army is planning to outfit MLRS rockets with antitank warheads that would find and subsequently guide themselves

to individual tanks. The Congress has expressed concern that such a program would be expensive and duplicative of other Army programs that are developing artillery-launched antitank rounds. This alternative would, therefore, delete all funding for an antitank warhead for MLRS.

This alternative offers savings without any apparent significant loss in capability. Because the deep-attack concept cannot be implemented effectively until all aspects of the program--the radar, the terminals, and the missiles--are fully functional, delaying the independent lead items would not affect the system's operational capability. The antitank warhead for MLRS appears redundant. Under this option, savings would be $230 million in budget authority in 1988 and $1 billion over the next five years.

DEF-12 LIMIT FUNDING FOR SUPPORTING PROCUREMENT

	Annual Savings (millions of dollars)					Cumulative Five-Year Savings
	1988	1989	1990	1991	1992	
Savings from Administration's Request						
Budget Authority	0	1,590	2,660	3,380	3,460	11,090
Outlays	0	430	1,180	2,070	2,730	6,410
Savings from CBO Baseline						
Budget Authority	1,880	1,350	750	80	-660	3,400
Outlays	500	910	1,050	770	170	3,400

Most Congressional debate over the defense budget revolves around major defense programs that buy missiles, aircraft, and ships. Such spending accounts for about 71 percent of total appropriations for procurement. Another 24 percent--labeled here as "supporting procurement"--is spent for trucks and cars, communications equipment, general purpose computers, office equipment and furnishings, training devices, and the variety of other equipment required by the military services. These items support the operational needs of the services both in the field and at headquarters. In terms of mission importance, they range from items essential to military operations, such as sonobouys or radios, to items more related to administrative activities common to peacetime and wartime, such as office computers.

In 1987, the Congress reduced the Administration's request for an 18.8 percent real increase in budget authority for supporting procurement to 2.7 percent. In its 1988 budget, the Administration has requested $19.4 billion, a decrease of 5.2 percent from the 1987 appropriation. This is a real decline of close to 9 percent, when expected inflation is taken into account. A real increase of nearly 12 percent, however, is requested in 1989. This option would target no further reduction in the supporting procurement accounts for 1988; these accounts could then be allowed to grow at a 3 percent real rate in subsequent years. This action would reduce spending by $11.1 billion over the 1989-1992 period, relative to the Administration's request, and by $3.4 billion relative to the CBO baseline.

Because these accounts buy a multitude of equipment items, this report cannot specify the detailed changes needed to achieve the savings discussed above. In the past, the Congress has tended to cut funds for communications equipment, munitions, and industrial preparedness by larger amounts, while providing most of the requested funds for items such as spare parts, vehicles, and base support equipment. If this pattern was followed in limiting the 1989-1992 requests, the major effects would be a slowing of communications modernization and less ability to sustain combat in the event of an extended conflict. Normal peacetime operations and immediate combat readiness would be less affected.

DEF-13 ALTER RESEARCH AND DEVELOPMENT FUNDING

	Annual Savings (millions of dollars)					Cumulative Five-Year Savings
	1988	1989	1990	1991	1992	
Savings from Administration's Request						
Budget Authority	6,350	5,370	-790	-2,340	-1,370	7,220
Outlays	3,250	5,010	1,920	-990	-1,460	7,730
Savings from CBO Baseline						
Budget Authority	0	0	0	0	0	0
Outlays	0	0	0	0	0	0

Although Congressional and public attention has focused on the Strategic Defense Initiative (see DEF-14), research and development (R&D) appropriations for the Department of Defense pay for a wide range of other activities: basic research, such as high-energy physics or microbiology; applied research, such as ceramic or construction engineering; engineering development to put weapons systems into production; and operational testing of newly developed weapons. Although most defense R&D funds are spent in private industry for the development of weapons systems, these funds also finance the operation of government laboratories and much research activity at universities and private nonprofit research centers.

The adequacy of R&D funding is difficult to measure; the potentially adverse effects of lower spending levels would not manifest themselves for several years. Much of the research funding is spent to explore new technologies, only some of which lead to advanced research and development. Increases in real levels of research funds should allow continued exploration of new areas; lower spending levels would require greater scrutiny of new research proposals and harder choices about the continued funding and rate of funding for ongoing programs. At some point, tighter research budgets would result in further narrowing of the U.S. technological advantage over the Soviet Union.

R&D budget authority has grown sharply in recent years, up by 96 percent in real terms from 1980 through 1987. This corresponds to an average annual real growth of about 10 percent. The Administration requested

$41.9 billion in 1987 (a real increase of 21 percent), but the Congress appropriated only $35.8 billion, a 3 percent increase in real funding compared with the previous year.

For 1988, the Administration has requested 17 percent real growth in budget authority for R&D. The Congress could choose to provide zero real growth in R&D funding (only enough to allow for inflation) in 1988 and subsequent years. This option would save $6.4 billion in budget authority in 1988 and $7.2 billion over the next five years relative to the Administration's request. There would be no savings relative to the CBO baseline under this option. This option would allow the same level of R&D effort as in 1987 and would leave R&D with about 12.4 percent of the entire defense budget, a high level by historical standards.

Because so many programs exist in this area, this report cannot specify which programs would be affected by a slowdown. Last year, for example, the Congress made detailed changes to hundreds of different R&D programs. The Strategic Defense Initiative and research on a new, small ICBM would probably be affected by any major slowdown in R&D funding, as would many smaller programs.

DEF-14 SLOW GROWTH IN THE STRATEGIC DEFENSE INITIATIVE

Savings from Admin. Request	Annual Savings (millions of dollars) 1988	1989	1990	1991	1992	Cumulative Five-Year Savings
Budget Authority	1,200	1,500	1,700	2,000	2,300	8,700
Outlays	540	1,170	1,460	1,740	2,020	6,930

On March 23, 1983, President Reagan called for the United States to render nuclear weapons "impotent and obsolete" by developing defenses that could destroy an enemy's nuclear weapons before they exploded on American soil. The research and development (R&D) plan resulting from this mandate--known as the Strategic Defense Initiative (SDI)--calls for devoting about $37 billion from 1988 through 1992 to study applicable technologies and system concepts, ranging from space-based lasers and particle beam weapons to more conventional antiballistic missiles.

The pace of SDI funding will determine how quickly SDI moves from a research to a development program. Some advocates argue that this pace should proceed as quickly as the fastest technological advances would allow. Others argue that SDI should not proceed beyond intensive research without greater understanding of how SDI would be integrated into the overall U.S. defense posture--including offensive forces, arms control, and allied responsibilities. For example, preserving the Anti-Ballistic Missile treaty is a widespread concern in the Congress. Still a third group argues that only a particular focus of SDI should proceed as fast as possible, such as tactical ballistic missile defense or terminal defense of intercontinental ballistic missiles.

Meanwhile, there is a growing concern that SDI budgets will overwhelm other, very important research and development efforts. The Administration's plan calls for a steep rate of real growth in SDI funding: 35 percent from 1987 to 1988 and an average of 14 percent annually thereafter through 1992. Thus, the SDI will consume a greatly increasing share of Department of Defense R&D resources. In 1985, the first year of the SDI program, it represented about 5 percent of the Research, Development, Test, and Evaluation (RDT&E) budget. By 1992, the SDI would take up about 23 percent of the total DoD RDT&E budget.

Concerns about technological balance and the pace of SDI growth could be partly addressed by slowing the rate of growth in spending (in real terms) during the next five years. This slowdown would save $1.2 billion in budget authority in 1988 and $8.7 billion over the next five years. Under this plan, the SDI would still consume about 18 percent of the DoD RDT&E budget by 1992. Remaining funding should allow intensive evaluation of the feasibility of new SDI technologies, and full-scale development and deployment decisions could still be pursued in the 1990s. This slowdown would also allow more time to develop this large program efficiently and to debate fully the technical and arms control issues involved in these efforts. But, under this alternative, the SDI is not likely to be deployed as early or as completely as under the Administration's plan, a major drawback in the view of ardent SDI supporters.

DEF-15 ALTER FUNDING FOR MILITARY CONSTRUCTION

	Annual Savings (millions of dollars)					Cumulative Five-Year
	1988	1989	1990	1991	1992	Savings
Savings from Administration's Request						
Budget Authority	1,550	1,670	2,070	2,140	2,710	10,140
Outlays	200	850	1,310	1,710	1,920	5,990
Savings from the CBO Baseline						
Budget Authority	200	200	210	220	220	1,050
Outlays	30	110	160	190	190	680

Military construction funding for the Department of Defense pays for a wide range of activities: combat-related construction, such as ammunition storage facilities and aircraft and weapons maintenance facilities; morale- and welfare-related construction, such as gymnasiums and child-care centers; and living accommodations, such as unaccompanied personnel housing and barracks. These funds also pay for acquiring land for military use and for modifying existing facilities.

Military construction funding increased by an average of over 10 percent annually in real terms from 1980 through 1986. In 1987, however, the Congress reduced real budget authority for this purpose to 8 percent below the 1986 appropriated level. In 1988, DoD has asked for $6.6 billion in budget authority for military construction, a real increase over the 1987 level of 25.9 percent. If this request was restricted to the 1987 appropriated level, and held constant in real terms in subsequent years, this option would save $1.6 billion in budget authority in 1988 and $10.1 billion over the next five years relative to the Administration's request. This option would save $0.2 billion relative to the CBO baseline in 1988 and a total of $1.1 billion over the next five years.

Potentially adverse effects of continuing to limit the growth in military construction are difficult to assess because of the large number of projects in this area, each of which could be affected differently. Some projects would probably take longer to complete, while some planned military construction programs would probably be canceled or postponed indefi-

nitely. Even some new projects that have received strong support from the services--such as military construction programs at Ft. Drum, New York, to support one of the Army's new divisions and the Navy's plan to establish new homeports for some of its fleet--might have to be reduced in their scope unless spending for other projects was lowered to offset the cost of the new programs.

DEF-16 RETIRE SOME G-MODEL B-52 STRATEGIC BOMBERS EARLY

Savings from Admin. Request	Annual Savings (millions of dollars) 1988	1989	1990	1991	1992	Cumulative Five-Year Savings
Savings in Total Federal Budget a/						
Budget Authority	280	870	1,220	1,280	1,340	4,990
Outlays	130	480	820	1,000	1,220	3,650
Savings in Defense Budget a/						
Budget Authority	280	870	1,220	1,280	1,340	4,990
Outlays	150	550	910	1,100	1,230	3,940

a. Savings in the federal and DoD budgets differ because of the effects of accrual accounting applied in the defense budget to retirement costs of military personnel.

The bulk of the current strategic bomber force consists of the G and H models of Boeing B-52 aircraft, introduced into the force in the 1960s. Continuing improvements in Soviet air defenses have limited the ability of these bombers to penetrate Soviet airspace. To address this problem, the Administration has been installing air-launched cruise missiles on B-52s, is going to field new B-1B bombers over the next few years, and plans to introduce an advanced technology--or "stealth"--bomber (ATB) at a later time.

Cruise missiles are small, highly accurate, unmanned missiles that can be launched outside Soviet airspace, thus allowing the bomber to remain beyond the range of most enemy air defenses. These missiles are now deployed on 90 of 151 B-52G aircraft, and the 90 newer B-52H aircraft are being modified to carry these missiles. B-52Gs not modified to carry cruise missiles will be transferred from the strategic forces and used as conventional bombers.

The Administration plans to retire B-52Gs that carry cruise missiles in the mid-to-late 1990s, as the ATB is fielded. This option would retire these aircraft by 1990 as the B-1Bs are deployed. Operating and support savings would equal $280 million in budget authority in 1988 and nearly $5 billion